

TECHNICAL EXHIBIT 1

PERFORMANCE REQUIREMENTS SUMMARY

1. **PERFORMANCE REQUIREMENTS SUMMARY.** The PRS charts and AF Form 713 at the end of this exhibit:

- 1.1. List the PWS requirements that the Government will surveil. The absence of any contract requirement from the PRS shall not detract from its enforceability nor limit the rights or remedies of the Government under any other provisions of the contract, including the clauses entitled "Inspection of Services" and "Default".
- 1.2. Define the standard of performance for each listed service.
- 1.3. Set forth the maximum allowable deviation from standard performance for that service that may occur before the Government will invoke the payment computation formula, resulting in a payment of less than 100 percent of the maximum payment for the listed services.
- 1.4. Define the lot used as the basis for surveillance or for payment computation purposes.
- 1.5. Set forth the surveillance methods the Government will use to evaluate the contractor's performance for the listed tasks.
- 1.6. Set forth the percentage of the total contract price that the listed contract requirement represents, only if the surveillance method is either 100-percent inspection or random sampling.

2. **GOVERNMENT QUALITY ASSURANCE.** Contractor performance will be surveilled to determine if it meets the contract standards. A variety of surveillance methods may be used.

- 2.1. Random sampling of recurring service outputs using indifference quality level (IQL) indexed sampling plans.
- 2.2. One hundred percent inspection of the output.
- 2.3. Periodic inspection of the processes or output.
- 2.4. Customer complaints.

3. **PERFORMANCE EVALUATION.** Performance of a service will be evaluated to determine whether or not it meets the performance requirements of the contract. When the IQL is exceeded, a Contract Discrepancy Report (CDR, AF Form

802) will be issued to the contractor by the Contracting Officer. Upon evaluation of the contractor's response to a CDR for tasks surveilled by random sampling or 100 percent inspection, the contractor's payment for the month in which the performance in question occurred will be calculated as stated in paragraph 4. The contractor shall respond to the CDR by completing block 9 and block 10 of the form and returning it to the Contracting Officer within 15 calendar days of receipt. In the case of CDRs issued as the result of other methods of surveillance, the Contracting Officer shall take appropriate measures according to the clause entitled "Inspection of Services".

4. CONTRACTOR PAYMENT.

4.1. For performance of a service that does not exceed the performance requirement, the contractor shall be paid the percentage of the monthly contract line item price indicated in the PRS for that service.

4.2. If performance of a service exceeds the performance requirement for a service surveilled by random sampling or 100-percent inspection, the Government will calculate as follows:

4.2.1. The maximum contract payment per month for all services is multiplied by the maximum payment percentage for the specific service to determine the maximum payment for acceptable service. This payment is multiplied by the percentage of the sample found acceptable to determine the percentage of the contract price that the contractor will be paid for the specific service. The total number of defectives found, not just those in excess of the reject level, are used to determine the percentage of the sample found unacceptable. The percentage of the sample found unacceptable subtracted from 100 percent determines the percentage found acceptable.

4.2.2. For those services that are performed less frequently than monthly, the payment computation will be determined for the entire surveillance period and will be based on the total maximum payment available for the entire surveillance period.

4.2.3. Any deductions from payment shall be taken from the payment for the month in which the Contracting Officer makes the determination that deduction is appropriate, regardless of the period in which the performance occurred.

5. EXAMPLES OF PAYMENT COMPUTATION. For this example, assume the following: (1) a performance requirement of 3, (2) a corresponding sample size of 25, (3) a lot size of 500, and (4) that 10 defective samples were found.

(1)	Maximum contract line item payment per month	\$10,000
(2)	Maximum payment percentage for the service	X 5%
(3)	Maximum payment for acceptable services	\$500
(4)	Percentage of sample found unacceptable (10 divided by 25, or defectives divided by sample size, times 100)	40%

(5)	Percentage of sample found acceptable (100% - Line 4)	60%
(6)	Payment for percentage of acceptable services (Line 3 times Line 5)	\$300

6. CONTRACT PHASE-IN PERIOD. During the first month of the contract a larger error rate (performance requirement) is allowed for some areas to recognize normal phase-in problems for certain specific services. The figures contained in parenthesis are the performance requirements that will be used during this period and will be the basis for determining unacceptable performance and any deductions. These larger error rates apply to the original start up period only, not to option years or extension periods.

PERFORMANCE REQUIREMENTS SUMMARY				
Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-1) Provide Effective Quality Control Program (1.3.)	Quality Control Program managed effectively in accordance with para 1.3.	1% of Lot Size Lot Size is sum of QC inspections scheduled by the contractor for the month	Periodic Surveillance	None
(RS-2) Perform Recurring Equipment Inspection/Repair (5.8.)	Complete all inspections scheduled to be conducted during the month, identify deficiencies on job orders and correct deficiencies.	1 Defect(2) Lot Size is the number of inspections/ repairs scheduled to be completed during the month	Random Sample	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0004
(RS-3) Receive Service Calls (5.2.7.)	Contractor personnel available to receive calls during required hours and calls are documented in job order log.	0 Defects	Customer Complaint	None

Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-4) Perform Service Calls (5.3.1.1, and 5.3.1.2)	Meets quality standards of TE-6. Meets response times of service calls completed during the month.	1 Defect (2) Lot size is the number of service calls completed during the month	Random Sample	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0001AA
(RS-5) Perform Change of Occupancy Maintenance (5.4. - 5.4.5, 5.25, 5.4.4.1)	Complete all required work in accordance with the quality standards in TE-6 and tasks identified in TE-9 and TE-11 and time requirements stated in PWS.	1 Defect (2) Lot is number of COMs completed during the month	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0001AB
(RS-6) Perform Interior Major Painting (5.4.6.1, 5.13.-5.13.13)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units painted during the month	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0006AA

Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-7) Perform Exterior Major Painting (5.4.6.1., 5.13. - 5.13.13)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring exterior paint	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0006AB
(RS-8) Perform Gypsum Board Texturing (5.13.13.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring gypsum board texturing	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0017
(RS-9) Texture Ceilings (5.13.14.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring texture on ceilings	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0016

Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-10) Government Owned Fencing (5.26)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of fences repaired	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0013 or 0014 or 0015
(RS-11) Replacement of Resilient Tile Flooring (5.4.6.2.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of tile floors replaced	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0007AA or 0007AB
(RS-12) Replacement of Shoe Mold (5.4.6.5.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units with shoe mold replaced	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory CLIN 0007AC

Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-13) Perform Exterior Door Replacement (5.22.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units with exterior doors replaced	100% Inspection	100%
(RS-14) Replacement Kitchen Countertops (5.4.6.3)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of kitchen countertops replaced	100% Inspection	100%
(RS-15) Replace Wall and Ceiling Grills (5.21.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring HVAC grill replacement	100% Inspection	100%

Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-16) Replace Deteriorated Structural Wood (5.17)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring deteriorated structural wood replacement	Periodic	NONE
(RS-17) Prepare Surfaces which Contain Lead Based Paint (5.4.6.4., 5.20-5.20.2)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of square feet requiring lead based paint surface preparation	100% inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory. CLIN 0009
(RS-18) Roof Repair (5.6.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring roof repair	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory. CLIN 0010

Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-19) Repair Termite Damage (5.5.)	Complete all required work in accordance with TE-6 and time requirements stated in PWS.	1 Defect (2) Lot is the number of units requiring termite repair	100% Inspection	100% Contractor shall reaccomplish unacceptable area. Work shall not be accepted until all items are satisfactory. CLIN 0011
(RS-20) Provide Notifications of Suspected Occupant Caused Damage (OCD) to MFHU.	QAE and Contracting Officer notified of suspected OCD within 2 hours of identification.	1 Defect (2) Lot is the number of units requiring occupant caused damage repair	Periodic	NONE
(RS-21) Utility Outages	Provide estimate of damage (5.10)	QAE provided a cost estimate of damages within 2 days of turnover.	0 Defects	Customer Complaint

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Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-22) Maintain Facility Maintenance Files (5.2.2.2)	Maintain facility maintenance folder IAW C-5, para 5.2.8.3	2 Defects (3) Lot size is the number of completed job orders during the month.	Periodic Surveillance	NONE
(RS-23) Prepare Job Orders (5.2.8.1-5.2.8.2)	Maintain job orders IAW C-5, para 5.2.8.1. - 5.2.8.2.	2 Defects (3) Lot size is the number of completed job orders during the month.	Periodic Surveillance	NONE

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Required Service	Standard	Performance Requirement	Method of Surveillance	Maximum Payment Percentage for Meeting the Performance Requirement
(RS-25) Utility outages notifications work in accordance with to MFHU occupants TE-6 and time and relight all pilot lights on gas appliances or equipment (5.9.6.)	Complete all required	0 Defects	Customer Complaint	None.
(RS-26) Maintain Facility Maintenance Files (5.2.2.2)	Maintain facility maintenance folder IAW C-5, para 5.2.8.3	2 Defects (3) Lot size is the number of completed job orders during the month.	Periodic Surveillance	None
(RS-27) Prepare Job Orders (5.2.8.1-5.2.8.2)	Maintain job orders IAW C-5, para 5.2.8.1 - 5.2.8.2.	2 Defects (3) Lot size is the number of completed job orders during the month.	Periodic Surveillance	None